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ABSTRACT

"The Feminist Dollar: The Wise Woman's Buying Guide", the book upon which this report is based, evaluates the gender fairness and equity policies of more than 400 companies, 50 states, and 35 countries to help consumers make informed decisions about which products to purchase and which states and countries to support with their travel dollars. The book is based on the notion that if economic decisions are made on the basis female-friendly factors, women's treatment in the workplace will improve, a Feminist Evaluation Method for Measuring Equity, which was developed to evaluate companies on a number of factors that reflect how positive or negative their climate is for women. The Feminist Evaluation Measure (FEM) rating is a numerical score that can range from 0 to 100. Companies, states, and countries are rated with respect to the following categories: management opportunities for women employees; the glass ceiling effect; support of women through charitable contributions targeting women's issues or organizations; benefit programs that are particularly beneficial to women; and the "femlin factor," or general indications of a company's female-friendly attitude not already measured in another category. (Includes the top five ranked companies in each of the following categories: grocery stores, food companies, cosmetic companies, retail stores, clothing companies, and automobile companies.) (MN)

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# Evaluating Gender Equity and Fairness: A Consumer's Guidebook to Selecting Leading Companies

## Research-in-Brief

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# Evaluating Gender Equity and Fairness: A Consumer's Guidebook to Selecting Leading Companies

*This Research-in-Brief summarizes an important new buying guide by Dr. Phyllis A. Katz and Margaret Katz. Published by the Plenum Publishing Company in 1997,* The Feminist Dollar: The Wise Woman's Buying Guide *evaluates the gender fairness and equity policies of more than 400 companies, 50 states, and 35 countries to help consumers make informed decisions about which products to purchase and which states and countries to support with their travel dollars.*

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Women in the United States have more purchasing power than the total economic output of any other country. Although women in the United States earn only 71 percent of what men earn in comparable positions,[1] they control at least 80 percent of all consumer spending.[2] This is an enormous amount of economic clout that women can use to improve the corporate climate for women. By making informed decisions about which companies provide the best policies and deserve their purchases, consumers can help to improve the status of women in the work force.

## The FEM Score

*The Feminist Dollar* provides a useful guide for women to exert their economic influence. Based on the notion that if economic decisions are made on the basis of female-friendly factors, women's treatment in the workplace will improve, a Feminist Evaluation Method for Measuring Equality (or FEMME system) was developed to evaluate companies on a number of factors that reflect how positive or negative their climate is for women. The final measure, a Feminist Evaluation Measure (or FEM rating), is a numerical score that can range from 0 (worst for women) to 100 (best for women). These FEM scores are used to rate companies, states and countries on their overall treatment of women.

## Corporate FEMs

There are many factors that reflect how conducive a corporate climate is to women's achievement and dignity. Some factors directly assess the present levels of achievement of women within each company; others reflect how female-friendly the working atmosphere is. In *The Feminist Dollar*, five categories were used to rate individual companies in a range of industries:

(1) management opportunities for women employees (the proportion of female managers and professionals, advancement programs, etc.);

(2) the glass ceiling effect (women in the highest positions, including the board of directors);

(3) support of women through charitable contributions that target women's issues or organizations;

(4) benefit programs that are particularly beneficial to women (such as family leave, day care, or flexible schedules); and

(5) the *femlin factor*, or general indications of a company's female-friendly attitude not already measured in another category (such as awards or recognition for positive policies toward women, inclusion in socially responsible investment funds, female founders, or equal opportunity law violations).

The average score for each of these categories was ten with a maximum score of 20 in most instances;[3] these five category scores were added to yield a total FEM score. By definition, the average FEM score is 50, and the actual range of scores obtained is between 34 and 87.

## Food Industry Companies

Because women do most of the food buying for their households, information was collected on 49 national food and beverage companies. The overall average FEM score for these companies was about average (49), and the median is slightly lower (47). The worst category for this industry was Category One, female advancement in management.

**Top Five Ranked Food Companies**

| | Company | FEM | Some Brand Names |
|---|---|---|---|
| 1. | Monsanto | 65.15 | NutraSweet, Simplesse |
| 2. | Ben & Jerry's | 64.96 | Ben & Jerry's ice cream |
| 3. | Procter & Gamble | 64.45 | Crisco, Folgers, Jif, Pringles |
| 4 | Hershey Foods | 63.70 | Hershey's, Reese's |
| 5. | PepsiCo | 63.45 | Frito-Lay, Rold Gold, Ruffles |

From the point of view of women, two of the five best food industry companies are Ben & Jerry's Homemade and Hershey Foods. Ben & Jerry's Homemade's high score is in Category Two -- it has more women in top management and board positions than most other companies in the food industry. Hershey Foods' high score is in Category Four -- it gives employees terrific family-friendly benefits.

The companies that scored very much below average include Archer-Daniels-Midland, Dreyer's Grand Ice Cream, Reckitt & Colman (makers of French's and Coleman's mustard), The Topps (Topp's chewing gum), and Smithfield Foods. Smithfield scored the lowest because women constitute only 12 percent of managers at the company (less than one-third the national average), the company was cited for noncompliance by the Equal Employment Opportunity Commission, and there are no women on its board.

## Grocery Stores

The results for the 12 rated grocery stores were very poor, especially disappointing when considering the amount of time women spend in them. Only one company scored above average on the FEM scale; the rest fell below the mean. This brought the grocery industry's average FEM score to a very low 45.45. The industry rated poorly in most of the categories: eight have no women on their boards; eight have no women among their highest paid officials;[4] only one (Southland) has an average number of women serving as managers or officers (42 percent); and none of the companies has a woman running either the company or a subsidiary company.

Kroger by far earned the highest female-friendly rating. Three of its 15-member board are women, seven percent of the company's top officials are women, it has programs targeting women and minorities for career development, and it is the only company in the industry to offer strong family benefits to its employees.

**Top Five Ranked Grocery Stores**

| | Company | FEM | Some Brand Names |
|---|---|---|---|
| 1. | Kroger | 60.33 | King Scoopers, Dillon |
| 2. | Great Atlantic & Pacific Tea | 49.55 | A&P, Waldbaums, Food Emporium, Super Fresh |
| 3. | Giant Food | 49.11 | Giant Foods |
| 4. | Albertson's | 47.85 | Jewell/Osco Foods |
| 5. | Safeway | 46.91 | Safeway |

Food Lion, Grand Union, Stop & Shop, and Winn-Dixie Stores rounded out the low-end ratings, with no women either on their boards or in upper management positions or upper salary echelons, and no other redeeming features.

## Cosmetic and Personal Hygiene Companies

**Top Five Ranked Cosmetic Companies**

| Company | FEM | Some Brand Names |
|---|---|---|
| 1. Avon Products | 86.73 | Skin-So-Soft |
| 2. Johnson & Johnson | 81.81 | Reach, Act, Stayfree, o.b. |
| 3. Body Shop | 71.60 | Body Shop shampoos, lotions |
| 4. Aveda | 70.42 | Aveda hair, skin care products |
| 5. Estée Lauder | 65.50 | Clinique, Prescriptives |

In addition to grocery products, women are also the primary buyers of cosmetics -- in some cases, the only buyers. The cosmetic and personal hygiene category includes products such as makeup, soap, lotion, feminine hygiene products, shampoo, and deodorant. Fortunately for women, companies in this industry rated, overall, consistently above average. What is surprising, however, is that many companies manufacturing "women's products" (for example, tampons or lipstick) have no women on their boards of directors or among the highest ranked company officials, give nothing to women's causes, or provide nothing in the way of family benefits to employees.

Avon Products is the top scorer, with women making up four of the 12-member board of directors, 41 percent of the company's top officers, and 82 percent of the company's managers. Avon offers very flexible work scheduling options and on-site day care, and 89 percent of the company's charitable giving goes to women's causes. Johnson & Johnson also ranked very high, in part because the company provides excellent family-oriented benefits to employees, including on-site day care and a full year of job-guaranteed leave to new mothers and fathers. In addition, three of Johnson & Johnson's 15-member board of directors are women, as well as one of its subsidiary company presidents, and that subsidiary, Johnson & Johnson Consumer Products, has made *Working Mother* magazine's "100 Best" list nine times.

Despite their small company status, both the Body Shop and Aveda also ranked well above the average. The Body Shop earned the industry's highest rating in the management opportunity area, with women making up 80 percent of the company's officials and managers, and also received points for having two women on its seven-member board of directors. Forty-eight percent of Aveda's officials and managers, 68 percent of the company's professionals, and almost 50 percent of its top officers are women.

At the low-end, some of the worst companies for which scores were available in all five categories were Gillette, Unilever, and Carter-Wallace. Neither Carter-Wallace nor Unilever has a single woman on its board of directors; Gillette has only one. Similarly, just six percent of Gillette's top officers are women, the other two companies have no women as top officers. All three have managerial staffs that are three-quarters male; none were particularly generous in its donations to women's causes; and they all offered worse benefits than the average company in the cosmetic industry.

## Retail Stores

As an industry, retail stores (which include several department stores, drugstores, health and beauty aid stores, discount stores, and hardware stores) come out slightly above average on their overall score, with a FEM rating of 51.48. The worst categories for the industry are management opportunities and benefits.[5]

Dayton Hudson was the high scorer in the retail store industry, with women making up one-fourth of the board and 54 percent of the company's managers and officials. Dayton Hudson also scored very well on benefits, in part because of their commitment to child care -- for example, in 1992, the company earmarked millions of dollars to recruit and train child care providers for employees. Nordstrom also ranked high, with women comprising 33 percent of its top 21 officers and 72 percent of its managers and officials. Nordstrom has been recognized for its pay, benefits, and opportunities for advancement for women, and

proves its commitment to women by supporting a college scholarship fund for black women and showing $80 million in purchases of goods and services from female-owned businesses. Sears, Roebuck and Melville also scored above average on board composition and benefits.

**Top Five Ranked Retail Stores**

| Company | FEM | Some Brand Names |
|---|---|---|
| 1. Dayton Hudson | 71.71 | Target, Mervyn's, Dayton's |
| 2. Nordstrom | 68.08 | Nordstrom |
| 3. Sears, Roebuck | 63.55 | Sears |
| 4. Melville | 61.27 | Marshalls, Linens 'n Things |
| 5. Broadway Stores | 59.41 | The Broadway, Weinstock's |

The companies at the bottom of the list were R.H. Macy, Service Merchandise, Montgomery Ward, American Stores, and Wal-Mart. For companies for which information was available, Wal-Mart was the lowest-scoring retail store chain. Although Wal-Mart's 13-member board has two women on it, only two percent of the company's top officials are women and none of the more than $10 million annual charitable donations goes directly to women's groups. In addition, Wal-Mart offers no advancement, recruitment or training programs targeted directly at women and the company made news headlines in 1995 by responding to customer complaints by removing from stores a line of T-shirts that proclaimed that some day, a woman might be president.

## Clothing Companies

While the FEM ratings for individual companies varied widely from one another, the clothing industry boasts the highest number of companies that have female CEOs, presidents or founders: seven of the companies either currently have women running the whole show or did in the past, and four others have women running one or more subsidiaries or major divisions. As a result, this industry's top score is in the femlin factor category; the low score for the clothing industry is for benefits.

Three of the top five ranked makers of women's clothing -- Moving Comfort, Liz Claiborne, and Ann Taylor Stores -- either are run by or were founded by women. Two of the three owners of Moving Comfort, the highest scorer, are women; 67 percent of its board and officers are women; women at the company make 100 percent of what their male counterparts earn; and all of the company's charitable donations go to women's causes. Liz Claiborne also scored very high, with women making up 22 percent of its board and 58 percent of the company's managers and officers. Liz Claiborne also scored high for benefits, providing a 26-week leave for new mothers, flexible work schedule options, on-site prenatal care classes, and mammography education programs.

Pay equity seemed to be a troublesome issue for Benetton (managerial women earn 63 percent of their male counterparts' salaries, while professional women are at 85 percent of their counterparts), but 40 percent of the company's officers and managers and 91 percent of the professional staff are women, giving them a higher FEM rating. Ann Taylor also

**Top Five Ranked Clothing Companies**

| Company | FEM | Some Brand Names |
|---|---|---|
| 1. Moving Comfort | 86.77 | Moving Comfort athletic wear |
| 2. Liz Claiborne | 70.91 | Lis & Co., Liz Claiborne |
| 3. Benetton Group | 68.49 | Benetton |
| 4. Ann Taylor Stores | 64.38 | Ann Taylor |
| 5. Esprit de Corp | 63.88 | Esprit clothes, accessories |

received high scores because three of the company's seven board members are women, as are 60 percent of the company's top officers, including the CEO.

The bottom of the list is occupied by Fruit of the Loom, Gitano, Lands' End, and Timberland, all of which have all-male boards.

**Top Five Ranked Automobile Companies**

| | Company | FEM | Some Brand Names |
|---|---|---|---|
| 1. | General Motors | 63.90 | Chevrolet, Buick, Pontiac |
| 2. | Toyota | 46.33 | Toyota, Lexus, 4Runner |
| 3. | Volkswagen | 43.48 | Volkswagen, Audi |
| 4. | Chrysler | 41.26 | Chrysler, Dodge, Plymouth |
| 5. | Mitsubishi Motors | 39.57 | Mitsubishi |

## Automobile Companies

According to one survey, women constituted 42 percent of car buyers in 1993, making the automobile companies another important industry in which to consider the treatment of women. Five of the eight major car companies declined to cooperate with research for *The Feminist Dollar* and much of the necessary information for rating was not publicly available. As a result, the auto industry has one of the lower average FEM scores -- 43.22.

Only one automobile company stood out among its competitors, although it would not stand out as a high scorer in other, more female-friendly industries. General Motors has two women on its 14-member board, six percent of the company's top officers are women, as are 11 percent in management positions, and it has special programs for recruiting and training women for management positions. In addition, despite their recent downsizing trend, GM has increased the percentages of both women and minority group employees. The company scored its highest points, however, in benefits -- GM gives employees two years off for parental or family emergency leave, with a job guarantee at the end of that period, and offers job sharing, flex time, and some work-at-home options.

Only one other automobile company scored above average on the FEM scale -- Toyota rated just barely above average. Unfortunately, Toyota has no women on its board or among its top-salaried officers. Overall, however, 12 percent of Toyota's officers and managers are women, still well behind the national average of 41 percent, but the second best for the auto industry. Toyota also has some recruitment and training programs for women, a 35 percent female professional staff, and reasonable benefits.

At the bottom of the list are Nissan, Ford Motor, and Honda of America. Neither Honda nor Nissan has women on their boards, and both were uncooperative with providing information for *The Feminist Dollar*. Ford ranked the lowest of all companies without missing information, in part because there are no women among the top-salaried officers and only a scant presence of women among the company's senior officers. Ford's 5 percent female officials and managers is one of the lowest of any U.S. company, is only one-eighth the national average, and is clearly the lowest of the Big Three automakers.

## Summary

Women's spending power can be used to reward companies that treat women fairly, and to influence companies that are highly discriminatory. Using a guide based on companys' management and promotion statistics, charitable giving dollars, family-friendly benefit programs, and compliance with antidiscrimination laws, women can use their economic strength to bring about positive change for working women.

## ENDNOTES

[1] Annual data for 1996 from the Census Bureau's *Current Population Reports*, Series P-60, U.S. Department of Commerce.

[2] Susan Faludi, *Backlash: The Undeclared War Against Women*, New York: Crown, 1991.

[3] For category score distributions, the average was ten and the standard deviation was four. Thus, companies that were way off the continuum, ie., more than 2.5 standard deviations from the mean, could receive scores as high or higher than 23.

[4] Information regarding the number of women among the highest-paid officials was available for only ten grocery companies.

[5] Part of the reason for the low score in management opportunities was that many companies did not cooperate with this research and the information was not available elsewhere; in fact, of the companies for which information was available, three-quarters have an average or above-average number of women among their managers and officers, which may mean that the industry is better for women than its FEM average suggests.

*This fact sheet is based on the book* The Feminist Dollar: The Wise Woman's Buying Guide *by Dr. Phyllis A. Katz and Margaret Katz. This Research-in-Brief is part of a series by the Insistitute for Women's Policy Research (IWPR) which highlights the work of IWPR's affiliates on topics of importance to women. Shannon Garrett and Diana Zuckerman summarized the book for this facsheet.*

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